

**Board of Finance
Regular Meeting Minutes
July 12, 2016
7pm**

1. **Call to Order:** Meeting was called to order by Michael Dougherty at 7p.m.
2. **Roll Call:** Michael Dougherty, Ronald Cabana, Frederick Chmura, David Fortin, David Richardson, Roy Bradrick, Jeffrey Kelleher
Absent: David A. Hosmer, Glen Lessig
3. **Alternate:** Motion to seat J. Kelleher and D. Richardson made by D. Fortin, seconded by R. Cabana. **Motion passed.**
4. **Approve minutes from: March 22, 2016, Regular Meeting, April 12, 2016, Special Meeting, and May 17, 2016, Regular Meeting: March:** Motion to discuss made by D. Fortin, seconded by D. Richardson. D. Richardson suggests that on Pg. 3: at the bottom, strike the last paragraph, not on audio, nor video. No discussion. Pg. 4: 7th paragraph down, should say "Judy Woodland stated she is disgusted." Motion to accept as amended made by D. Fortin, seconded by D. Richardson. **Motion passed.**

D. Richardson comments that the minutes posted on the website are the original, and the revised aren't normally posted. Change is significant and should be fixed on the website.

R. Bradrick says that it is posted as presented with the term draft, not approved or official. M. Dougherty to follow up.

April: Motion to accept made by D. Richardson, seconded by F. Chmura. **Motion passed.** **May:** Motion to accept made by D. Richardson, seconded by D. Fortin. **J. Kelleher abstained. Motion carried.**

5. Old Business

- A. Update on Policy Manual:** D. Fortin says the draft dated 3/8/2016 and gave hard copy to Donna to copy. Motion to table until the next meeting (9/13/16) made by D. Fortin, seconded by F. Chmura. **Motion passed.**
- B. Mr. Fortin's Letter Regarding Stipend Program:** D. Fortin says that the discussion began in May/2015. Had written letter of concern dated 2/9/2015 and was tabled many times; very minor changes, stipend is in pretax dollars, this drives up the gross income by \$13965.00. Soc. Sec. is usually determined by a person's employment upon retirement; one person could collect less than someone who could take stipend. The purpose was to stimulate conversation.

R. Cabana states that an employee's decision to take a stipend or insurance from town or state is their own, not the towns issue. Give the information and they make decision. D. Fortin says that not everyone has the ability to the decision. R. Cabana responds that insurance is available on the open market. D. Richardson states that prior to last year, taking a stipend for many was not an option, if just a single person;

much to their benefit, much cheaper. The town cost is much less for one-person insurance, it's a fairness issue; if not in position, 30% less than a person doing same job. D. Richardson continues stating that the premiums, when looking at the old contracts on the 1st page, the medical reimbursement account, now called medical, was up to \$2100.00 yr. Sec 15.3 states that 50% of monthly premiums less ½ the cost of employees. There was no mention of the \$2100.00 that was in the medical reimbursement account; in 2013, the money went from \$2100.00 to \$5000.00, any reduction had been removed, no an attempt to offset as a result the First Selectman and a few others got \$3200.00 raises along with a 2% salary increases in the budget. Health insurance went from 5.3% to 8.2% for a select group of people. Nobody knew about this, and the following March 2014, the slight increase for 2015 fiscal year was an increase in health insurance and those premiums went down.

J. Kelleher asks why this wasn't brought up at the Selectman's meeting, and what can BOF do about this. M. Dougherty say a stand should be taken one way or the other, comes up constantly causing much hate and discontent, a cost to the tax payers of Woodstock, if possible save on cost of insurance.

J. Kelleher says he's not debating, asks if there is something that can be done. M. Dougherty says to look at other health insurance, may not have to go as far as voters. Bring to BOS and work something out, but it can't be done overnight. Come up with consensus to see when it can go to BOS. Get as much input as possible. R. Bradrick says it's a Selectman's issue, some unfair, some not. This contract was voted and passed, if looking across the board it's constantly unfair, this contract good until 2017. The board's position is to lower cost.

J. Kelleher asks if it raises a legal question, by record, the board should look into it. D. Richardson says that after both issues, cost to town, but if read, costs the town \$200,000.00 per year, very much a concern for the BOF, could fund life guards, swim programs, and teachers. It's not a small amount of money. Could save if combined with BOE. The BOE has 95 participants in their self-funded program, if this number drops any more, financial stability will be at risk; underwriters will raise cost, and could cost hundreds of thousands more. That's 2-3 or 4 thousands more per participant and will have to be made up somewhere; could mean some people would have to be cut. M. Dougherty says since the points overlap, an idea or recommendation needs to be made that benefits all. Up to BOS to follow recommendation or not.

D. Richardson replies that everyone is uncomfortable telling the BOS that he must do certain things, and concerns of negotiating a contract, it could be asked of the BOS to bring the stipend up to date and then limit it to that. To bring something reasonable up to them & union, but get there to move forward. F. Chmura asks if the pages are current, and reads section 15.2, and states that it doesn't say the amount, and asks if it is a fixed amount. D. Richardson responds that the language says healthcare premium for an employee who carries insurance, it doesn't mention spouse or family, the way it's being done, split in half, everyone gets the same. Right now it's \$1163.00 per month.

F. Chmura says that this is a contract and there isn't much the BOF can do, but if there is concern, he feels that the town should meet with BOE and combine. Go on record to ask the BOS at the end of the 2017 contract, combine making one policy,

should be reasonable to save money and be fair to all employees. D. Fortin says that goals should be set, doesn't want to breach existing contract, it was brought up to have opportunity to discuss, and now is the time. F. Chmura says the contract will probably start negotiation in the winter. D. Fortin says conflict of interest, members brought it up, didn't say it was illegal, but has concerns about it. If someone can take the stipend, then they probably should. D. Richardson says regarding the conflict of interest, no one on the BOF knew about the budgets, not how things should be done. The state statutes are very clear about who negotiates contracts; it is in the hands of the Selectman, the BOF should be made aware. BOF should request BOS that when labor contract is negotiated it be brought to BOF for review, so as to be aware of what's in it. Rather than turn it into an ordinance requiring it, says he could see it going in that direction, and it's legal. Not sure how to word it, but set up to move forward and future labor contracts presented to the BOF and the BOF should be able to comment.

R. Bradrick says the Selectman's budget to the BOF was very detailed, each component of selectman's budget should be itemized, don't mind asking for detail but it still goes to Selectman. D. Richardson says that nobody knew what happened, now it's all done, found out by chance, nobody questioned. D. Fortin states this is the first conversation with sustenance about this topic. Responsibility on behalf of the tax payer to offer small stipend is one thing, this is a large amount, a few dollars less than \$14000.00; doesn't believe that was the intent of the policy when it was started; continuing at this level may decrease the pool of employees driving up the cost, a larger pool of people such as combining the town and BOE may lower the cost. Move forward with letter to be reviewed. F. Chmura says sent letter to BOS and move on. D. Fortin suggests letter of recommendation with potential goals. F. Chmura says there is no other course. D. Fortin says the later date will be cut budget. F. Chmura says it's a window of opportunity. J. Kelleher states the contract means town employee will have to accept what BOE already has. D. Richardson says that it's a high deductible insurance program, the point would be to move the town hall to a self-funded program. J. Kelleher says that they must have policy with benefits, how it's paid for may be different but must accept; if agreed to, and move to BOE still have an issue with funding and gives an example.

D. Richardson says they negotiate contributions and deductions will be. Says the direction be to make stipend compliant to ACA; this allows to combine with BOE, no parameters to BOS of how it gets there, needs to be less than 9 ½ % of income. BOE would have to agree, if it collapses they will have a problem. D. Fortin responds with the only obstacle will be the 9 ½ % to combine, want to give best benefits we can but be sustainable. D. Richardson makes a motion to recommend to BOS to bring the cash opt out stipend for town hall employees to waive health insurance coverage in compliance with current requirements for arrogate large employers under the affordable care act and irs guidelines to determine cost of insurance for employees such action to be taken by July 1, 2017.

F. Chmura says a letter needs to be worked on, makes a motion that the Chair delegates to form a letter to the BOS concerning health care issue, seconded by R. Cabana. No discussion. **Motion carried.** M. Dougherty asks D. Richardson, F. Chmura, Roy Bradrick to form the draft letter for the next meeting.

6. New Business: None

A. General: Letter of recommendation to BOS, draft by August as to get comments from everyone, before next meeting. If not done by Sept, BOS to act on; the action taken would be out of BOF control. J. Kelleher says it could result in citizen's decision.

7. Citizen's Participation

Preston Shultz says letter of ethics is a simple statement, should not be voting on benefits for themselves. Makes a difference. This is the top tier of republican committee getting money, on committees, pick on people who ask the questions. BOF should not have to fund an item.

Chandler Paquette says state statute mandates that the first selectman runs the negotiation of union contracts, and as far as a conspiracy theory: Republican Party put BOF together. Why doesn't the BOE & town hall combine insurances: this has been asked and answered many times, Mr. Paquette reads from the handbook, and states that every year it should be looked at carefully.

Mr. Shultz says that it isn't right. D. Richardson says the state statute says that the BOF has to fund a contract, the first selectman, and elected officials are not covered under the contract, so there is no requirement for the BOF to fund beyond the 6 people who are in union. Funding could be cut off. BOS gaining those benefits is conflict of interest.

Woody Durst states that there is nothing in the code of ethics that states the first selectman cannot negotiate. The code of ethics was written in 1998 and no changes since then have been made (Mr. Durst reads from the code of ethics book) and comments that it is Allen's job to negotiate but there is an obligation to provide a perspective on it. M. Dougherty states that we can't hold back funding, all we can do is make recommendations. The tax payers approve or reject; not just the BOF responsibility, the tax payers need to be responsible as well. D. Richardson says they need to be informed. M. Dougherty says that they don't come to the meetings, they need to take initiative. D. Richardson says there needs to be more communication to the people about meetings.

Mr. Shultz says if the BOF can't figure things out, then how are members of town going to, the BOF is what the tax payers rely on.

8. Correspondence & Announcements: Next meeting will be Sept. 13, 2016

9. Adjournment: Motion to adjourn made by J. Kelleher, seconded by D. Richardson.
Motion passed, adjourned at 8:09 p.m.

Respectfully Submitted,

Laura Cournoyer